

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED

Postal Rate and Fee Changes, 1997

Jan 28 1 57 PM '98
Docket No. R97-1

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

**NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
VAL-PAK/CAROL WRIGHT WITNESS
JOHN HALDI (NAA/VP/CW-T1-8-11)
January 28, 1998**

The Newspaper Association of America hereby submits the attached interrogatories to Val-Pak/Carol Wright witness John Haldi (VP/CW-T-1) and respectfully requests a timely and full response under oath.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

January 28, 1998

William B. Baker
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NEWSPAPER ASSOCIATION OF AMERICA
INTERROGATORIES TO
VAL-PAK/CAROL WRIGHT WITNESS
JOHN HALDI (NAA/VP/CW-T1-8-11)

NAA/VP/CW-T1-8. You note (p. D-7, fn. 5) that weight and cube may play a highly significant role in the number of containers that enter a facility. Is the Postal Service's cost study LR-H-182 biased because it ignores the relationship between weight/cube and the costs of handling empty equipment? If so, does this bias overestimate or underestimate the effect of weight on cost? Please explain.

NAA/VP/CW-T1-9. Is the Postal Service's cost study LR-H-182 biased because it does not control for destination entry category (DDU, DSCF, DBMC, none)? If so, does this bias overestimate or underestimate the effect of weight on cost? Please explain.

NAA/VP/CW-T1-10. The Postal Service's cost study LR-H-182 allocates city carrier street time costs among weight increments using pieces, not weight. To the extent that city carrier street time costs are weight-related, is LR-H-182 is biased? If so, does this bias overestimate or underestimate the effect of weight on cost? Please explain.

NAA/VP/CW-T1-11. Approximately 60% of Cost Segment 7 is not attributed.

- a. Are all of the institutional costs in Cost Segment 7 non-volume-variable? If not, please explain how much is volume variable and why.
- b. If all of the volume disappeared from the system, what portion of these Cost Segment 7 institutional costs would remain?

Please explain.